



April 8, 2013

Manufacturing Tax Reform Working Group
Ways and Means Committee
United State House of Representatives
Washington, DC 20515

As a small manufacturer I urge you to support the Manufacturing Reinvestment Account (MRA) which I have championed since its infancy, helped draft legislation for and actually came up with the name and coined the phrase "MRA - like an IRA for manufacturers."

The concept is to amend the Internal Revenue Code to establish tax-exempt MRAs for taxpayers engaged in a manufacturing business. It would allow such manufacturers to make tax deductible cash payments into an MRA of the lesser of their domestic manufacturing gross receipts for the taxable year or \$500,000. The proposal would permit expenditures from an MRA for expenses for property to be used in the manufacturing business and expenses for employee job training and workforce development. The proposal would terminate the tax deduction for payments to an MRA seven years after the enactment of this legislation.

Under the proposal, if a manufacturer contributes up to \$500,000 annually and the account earns interest at five percent, with a low 15 percent tax rate on amounts distributed from the MRA, after seven years the manufacturer would have approximately \$3.6 million to reinvest in the business. The option to invest in such MRAs for manufacturing firms across the country will help them get a bigger return on the dollar and free up capital to invest in machinery, infrastructure, and job training, ensuring that they can succeed in both the short and long-term.

Thank you for considering this important tool to support manufacturing.



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